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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

3 September 1982

NOTE FOR: Director of Central Intelligence

FROM: Maurice C. Ernst
NIO/Economics

SUBJECT: Papers on East-West Economic Relations and the Pipeline

1. Here are rough first drafts of the two papers we promised you for Tuesday. The paper on developing a common Allied policy on economic relations with the USSR is my first draft. I have not received any comments or coordination. The statistical material you requested and some other supporting information are being put together and will be ready on Tuesday. The paper on the impact of Western controls on exports of oil and gas equipment on the Soviet economy is SOVA's first draft. I have just received it and have not yet read it.

2. Your reactions to these papers would be very helpful, not only in preparing the final drafts, but also in developing Terms of Reference for the SNIE. For example, do you envision the SNIE as covering approximately the range of topics in: my paper; or the SOVA paper; or some combination of the two; or some different set of topics?

[Redacted Signature]

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Maurice C. Ernst

Attachments,
As stated

All portions Secret

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ANNEX A

Statistical Tables

GNP, Military Expenditures, Role of East-West Trade,
Debt, Natural Gas

(in preparation)

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ANNEX C

Alternatives to Soviet Gas for Western Europe

Most Promising Projects

(in preparation)